

# Facility Stabilization Project

The mission of the Facility Stabilization Project is to safely deactivate contaminated buildings to reduce the risk to workers and the environment while decreasing costs to taxpayers.



Four stainless steel surplus tanks were transferred to a commercial company as part of the PHMC's underutilized equipment reuse program.



Tank 100 is removed from an underground vault at WESF and placed into a shielded box and placed into safe storage in the B Plant canyon.



400,000 curies of radioactive cesium were shipped from the 324 Building to compliant storage.

At FFTF, 950 pounds of sodium-potassium alloy was drained into containers for offsite shipment.

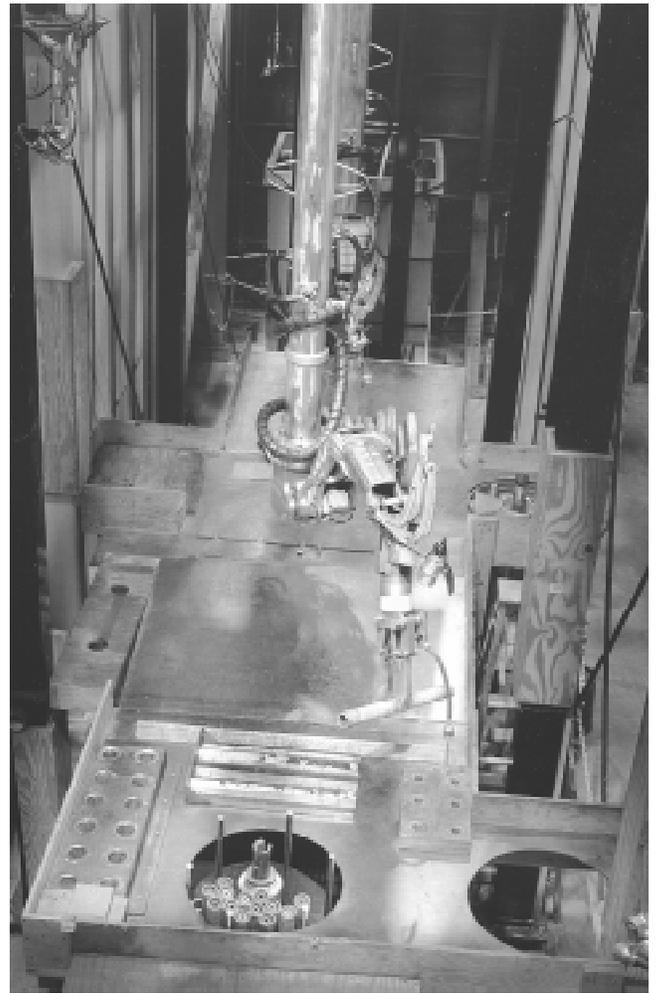


# Spent Nuclear Fuel Project

The mission of the Spent Nuclear Fuel Project is to protect the Columbia River by safely moving more than 2100 metric tons of deteriorating spent fuel from aging K Basins to safe, dry, interim storage at the Hanford Site.



Spent fuel stored in canisters in the K Basins shows extensive corrosion and sludge formation.



A robotic arm picks up a "dummy" fuel element during operating training. The arms will be suspended from the steel grating that covers the fuel storage area and will be used to move spent fuel.



Exhaust stack being lifted into position on the Canister Storage Building. The stack is part of a passive ventilation system used to naturally circulate air to cool the fuel canisters.



Aerial view of the Canister Storage Building.

# *Tank Waste Remediation System Project*

The mission of the Tank Waste Remediation System Project is to protect the Columbia River, the workers, and the public by safely storing and disposing of high-level radioactive tank waste.



The most complex ventilation project in the history of Hanford's Tank Farms achieved readiness and began operation in early 1998.



Instrument probes are used to measure gas pockets in an effort to determine why measured level in tank 101-SY is rising.



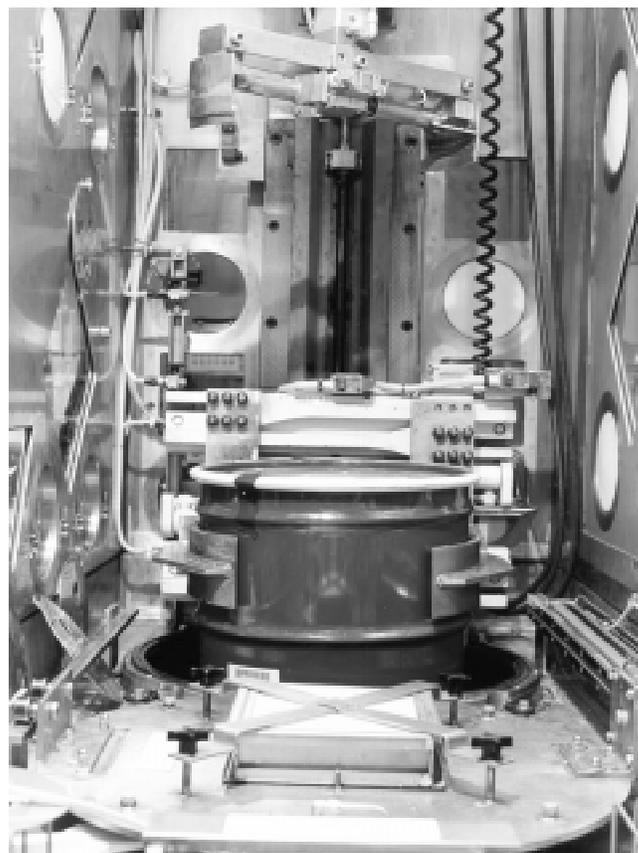
Rotary core drilling is used to take a full-depth core waste sample from a Hanford tank. The core samples are used to characterize the contents of the tank.



The tank C-106 exhaust stack is checked.

# *Waste Management Project*

The mission of the Waste Management Project is to provide safe, compliant and cost-effective waste management services for the Hanford Site and DOE complex. These services include the safe treatment, storage, and disposal of radioactive and hazardous solid and liquid wastes, analytical services, generator services, and pollution prevention and waste minimization program coordination.



**The Waste Receiving and Processing Facility began operations.**



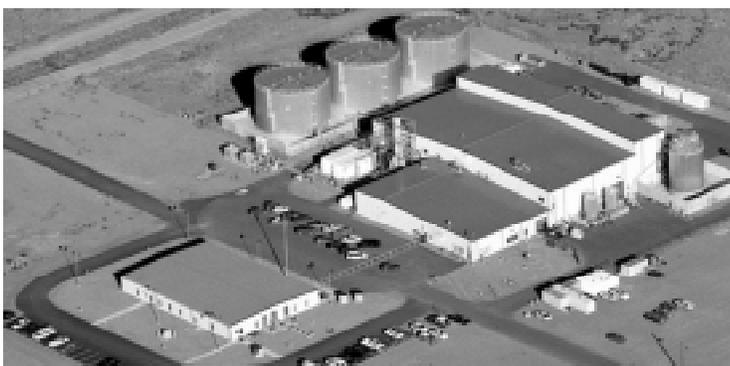
**Control panel of the Waste Receiving and Processing Facility.**



**Hanford's Central Waste Complex processes solid waste.**



**Received 1.1 million gallons ERC N Basin water for treatment.**



**200 ETF treated 30 million gallons of radioactive/hazardous wastewater.**

# *Economic Transition And Community Relations*



Hanford Manager John Wagoner, right, and Pete Knollmeyer, RL assistant manager for Facility Transition, inspect the southern portion of the site rail system.

The Project Hanford Management Contract (PHMC) Team strengthened its economic transition efforts, as well as its communications, community relations, and public involvement support in FY 1998.

Feedback from the community and the U.S. Department of Energy (DOE), Richland Operations Office (RL), revealed that certain organizational changes and refocusing of efforts were required. As a result:

- Economic transition efforts were more closely integrated with local business community efforts.
- PHMC parent corporations refocused their commitment to the region's economic health.

- Community relations efforts were consolidated into a new Community Programs Office.

## **Office of Economic Transition**

Major conversions of PHMC assets in FY 1998 helped recruit new businesses, assisted expanding businesses, and increased local employment. The PHMC transferred more than \$2.2 million in excess site assets as part of these "economic development" activities. Total acquisition value of site asset transfers over the last two years is more than \$116 million.

**In reference to the application of the Atomic Energy Act Section #161g, RL General Manager, John Wagoner, said, "I commend Fluor for its leadership in coordinating this activity with its subcontractors in a manner which accomplished our objective while avoiding work force reductions."**

The Fluor Daniel Hanford, Inc. (FDH), Office of Economic Transition and RL pioneered the application of Atomic Energy Act Section #161g to the lease of underutilized equipment and facilities for economic development purposes. COGEMA Engineering Corporation signed lease and license agreements for commercial use of nondestructive test equipment and space side-by-side with its Hanford work. Using a similar approach, Hi-Line Engineering and Fabrication leased the Fuels and Materials Examination Facility high bay facility on a temporary basis. These agreements were precedent setting for the DOE complex and will open other opportunities to deploy underutilized assets for creating jobs locally and at other sites.



**A regional and community partnering approach helps bring the Twin City Foods Frozen Foods Processing Plant to the Tri-Cities along with 100-150 new jobs.**

The PHMC Team took major steps to strengthen collaboration with the Tri-City Industrial Development Council (TRIDEC) and other regional economic development agencies. Effective relationships with these organizations have created jobs at McNary Industrial Park in Umatilla County, Oregon, and Regence Northwest Health in Walla Walla County, Washington. Prospective recruitment in these counties and Grant County, Washington, are expected to be productive in FY 1999 and beyond. The PHMC Team expanded communication of their economic transition program and successes throughout the year. Articles were placed once or twice a month in local, regional, and national publications. An economic transition home page was developed and published on the Internet, giving the public greater access to information about Hanford's transition and its successes.

## **Columbia Basin Ventures**

Columbia Basin Ventures (CBV) experienced success consistent with its capital pool and the market availability. However, the number of new investment opportunities has not met the PHMC expectations. FDH began an examination of the CBV activities and focus in late FY 1998 in order to determine how to best leverage CBV with the overall economic transition strategic path of the PHMC. CBV activities during FY 1998 resulted in a few investment opportunities, which were completed in early FY 1999. The examination, which is underway, will build on these successes and focus future activity on job development and favorable regional impacts.

## **Enterprise Companies**

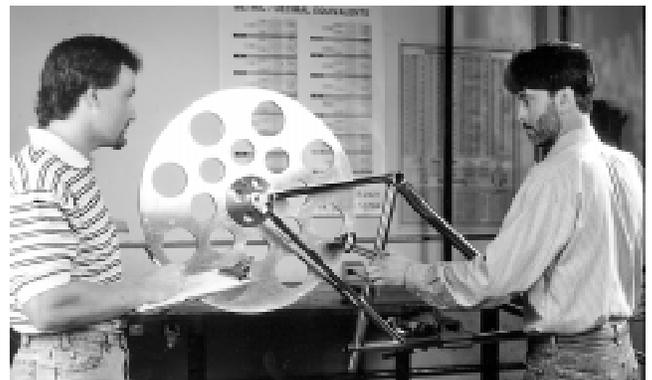
The enterprise companies increased efforts to obtain new non-Hanford jobs by:

- Strengthening marketing efforts
- Using a new RL policy to use underutilized "government furnished equipment" at fair market prices for commercial contracts
- Creating partnerships with other businesses in the community to improve both partners' abilities to seek business outside the Tri-Cities area.

Although non-Hanford business development by the Enterprise Companies has contributed 26% of the job count to date (137 of 527 jobs), the aggregate percentage of non-Hanford business within new non-Hanford companies is still only 7%. The Enterprise Companies will place emphasis on increasing commercial work and creating non-Hanford jobs.

## **Corporate Involvement and Contributions to the Community**

Through charitable giving and support for economic development initiatives, the PHMC Team provided financial assistance in excess of \$1 million in FY 1998. The PHMC Team assisted financially in the recruitment of Reser's Fine Foods and the Durametal Brake Drum Manufacturing Facility at Energy Northwest. Financial assistance was also given to expansion efforts of Titanium Sports Technologies in the Port of Kennewick, the McNary Industrial Park in



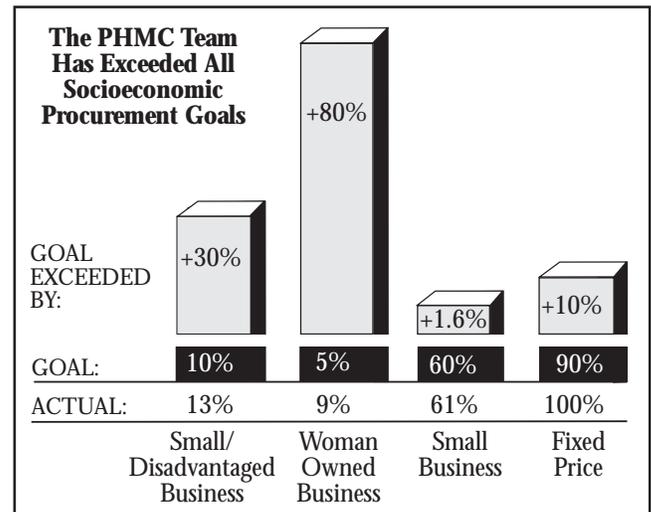
**The PHMC's cash contribution to the Port of Kennewick helped support the business expansion of Titanium Sports Technologies, a local "metals cluster" business.**

Umatilla, and Regence Northwest Health in Walla Walla. The PHMC Team is providing \$50,000 for the Nature Conservancy's upcoming book on the arid land of the Columbia Basin. This high-quality publication will be widely used in the schools and by local industrial development agencies.

With more than \$2 million in total corporate community contributions made during the first two years in the community, the PHMC Team has provided targeted financial support to education, environmental and economic transition initiatives, the arts, and basic human services. The greatest contribution, however, is one that the PHMC Team encourages: participation by employees and their families in meeting community needs. Examples of events where both personal and financial support were given by the PHMC Team include:

- Major sponsorship for the “Tri-Cities A La Carte” fundraiser for 50 local charities.
- Major sponsorship of the Tri-Cities Riverfest Run/Walk for 30 charities.
- Creation of a building trades home construction program. (The PHMC Team provided excess tools and equipment and mentored the process in which Pasco High School students successfully built a 1,500-square-foot home.)
- Funding for the Tri-City Fiery Foods Festival attended by 40,000 participants.
- Contribution of funds and employee volunteers to the Columbia River Pow Wow, in support of the Columbia River Exhibition of History, Science and Technology (CREHST) Museum. This event involved six Native American Indian Nations and 3,000 attendees.
- Educational outreach through scholarships as well as grants to institutions such as Washington State University—Tri-Cities and Columbia Basin College.

As part of its commitment to economic transition, the PHMC Team expanded its Supplier Advocacy Office (SAO) to initiate procurement opportunity outreach programs and ensure socioeconomic goals are met. The SAO communicated with the region and local community using various media including the Internet, and explained the role of the enterprise companies. A key indicator of the outreach program success was the absence of criticism about the procurement process.



## Public Involvement

In support of DOE's openness policy, the PHMC Team's Public Involvement Group provides meaningful and timely information to stakeholders and regulators. During FY 1998, the group:

- Supported RL in developing its FY 2001 draft budget, including the public process of holding a workshop for the regulators and stakeholders and conducting regional public meetings
- Worked with PHMC senior management and RL to provide meaningful information and engage in discussions with the Hanford Advisory Board and its committees
- Helped to increase both visibility and interactions with the Tri-Party Agreement regulators, the U.S. Environmental Protection Agency and the State of Washington Department of Ecology.

## Communication and Media Relations

On the communications front, more news of cleanup progress and the dramatic improvements in site safety was shared with workers and external stakeholders during FY 1998. A sitewide roundtable was also formed among the prime contractors (the PHMC Team, Bechtel Hanford, Inc., and Pacific Northwest National Laboratory) to focus on consistency of information about Hanford, coordination of external communications, and presentation of issues. Strong relationships with external media have led to increasingly fair and objective coverage of Hanford issues.

# Volpentest HAMMER Center



**Bill Lampson recognizes Sam Volpentest at the dedication of the Volpentest HAMMER facility.**

Volpentest Hazardous Materials Management and Emergency Response (HAMMER) successfully met the start-up challenge and operated the Training and Education Center in an outstanding manner as a result of the dedication from many organizations and senior managers throughout Fluor Daniel Hanford, Inc. (FDH). This was accomplished within budget and by completing all milestones on or ahead of schedule. Activities included conducting a readiness assessment to ensure safe operations of the facility, developing a financial and information management system plan, and streamlining the Work-for-Others process. Not only was much accomplished, it was done safely and with quality. Volpentest HAMMER achieved a perfect safety record with no Occupational Safety and Health Administration recordables or lost workdays and received outstanding commendations for customer service.

Volpentest HAMMER's first priority was to deliver hands-on training to the Hanford workforce. Approximately 90% of its 23,250 students in FY 1998 were Site employees. Acting as technical lead and working with FDH's Emergency Preparedness team, Volpentest HAMMER developed and coordinated Building Emergency Director Training, Incident Command Post Training, Building Warden Training, Drill Coordinator Training, and Joint Information Center Training. In addition to this important emergency preparedness training, a new Hanford-specific Respiratory Training course was successfully developed and implemented through a joint effort by the National Institute of Environmental Health Sciences Grantees and the Hanford Atomic Metal Trades Council. This new course addressed concerns raised by the Defense Nuclear Facilities Safety Board.

Volpentest HAMMER successfully established more than 20 Work-for-Others and User Facility Agreements with federal, state, and local government agencies and private entities. The resulting revenue reduced the U.S. Department of Energy's (DOE) cost of operating the Volpentest HAMMER facility.

Additionally, Volpentest HAMMER developed and successfully implemented a video teleconference course on suspect counterfeit parts. The National Transportation Training Regulatory Compliance Program was transitioned to Volpentest HAMMER, resulting in a 45% reduction in cost while providing 33% more training courses in FY 1998. In the National Transportation Emergency Preparedness Program, 17 Transportation Emergency Preparedness training modules were developed for the DOE complex.

In FY 1999, the Volpentest HAMMER staff will continue to focus on meeting the needs of Hanford while using their resources to broaden their base of clients. New programs, such as the recently initiated National Counter Narcotics Program, are a part of the strategy to reduce Volpentest HAMMER's dependence on Hanford clients while also reducing DOE's cost for meeting Hanford's needs.



**HAMMER, the Volpentest Training and Education Center.**

# Future Focus



The Project Hanford Management Contract (PHMC) Team, under Fluor Daniel Hanford, Inc. (FDH) leadership, will build on the solid performance of the past year to continue making progress that is consistent with the strategic plan for environmental cleanup and restoration of the Hanford Site.

Improvements to the PHMC quality program will be the top priority as the PHMC Team mobilizes its resources to substantially improve performance. The Team has recognized a need for improvement and embarked on a major long-term initiative to achieve the desired step change. A Quality Improvement Plan will be the foundation for success that will differentiate performance over the life of the existing contract and beyond.

Safety will continue to be a primary focus, centering around successful implementation of the Integrated Safety Management System (ISMS) program. ISMS will be an integral part of the Quality Improvement Plan, building on the progress made to date in this area. Employee involvement and ownership will continue to be emphasized to achieve long-term, sustained superior performance.

The PHMC Team is poised to meet major project challenges in FY 1999 while maintaining financial and managerial control. The Team is committed to:

- Facility Stabilization
  - Successfully pass the Plutonium Finishing Plant Operational Readiness Review and restart plutonium stabilization
  - Acquire the Plutonium Stabilization and Handling equipment for the Plutonium Finishing Plant
  - Complete all rack removal from the 324 Building B Cell
  
- Spent Fuel
  - Remove and transfer all N/K Basin fuel from the 327 Facility to K Basins
  - Produce the required four Final Safety Analysis Reports and obtain approvals
  - Complete the Canister Storage Building construction
  
- Tank Waste Remediation System (TWRS)
  - Achieve successful sluicing of Tank 241-C-106 contents
  - Implement the Final Safety Analysis Report
  - Continue pumping of three single-shell tanks and start pumping four more tanks
  - Support the U.S. Department of Energy, Richland Operations Office, efforts to secure TWRS funds reprogramming by March 1999
  
- Waste Management
  - Prepare transuranic waste for shipment to the Waste Isolation Pilot Plant

Meeting these project challenges will reduce urgent risks and future mortgage costs and further protect the Columbia River.

A commitment to economic diversification also remains a high priority, and the PHMC Team has strategies in place to maximize the successes to date. The Team has helped this region continue to develop new industries, and it remains dedicated to meeting aggressive targets for creation of non-Hanford jobs. Leveraging the Volpentest Hazardous Materials Management and Emergency Response (HAMMER) Center to obtain new missions and selective outsourcing will remain a high priority in the future.

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The PHMC Team is confident that the experience gained in the first two years of its contract will enable it to effectively meet the challenges of the future. The Team stands ready to support the Office of River Protection, Groundwater/Vadose Zone Project, as well as any mission changes at the Fast Flux Test Facility or elsewhere on the site.

A solid foundation of accomplishments by talented and skilled employees who embrace quality and safety is in place, as is the support of the Hanford Atomic Metal Trades Council leadership. The PHMC Team looks forward to long-term cleanup progress and meeting new challenges.

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***“I pledge my personal and corporate commitment to help ensure Project Hanford’s success.”***

***Jim Stein  
President and Chief Operating Officer  
Fluor Daniel, Inc.***

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# *Project Hanford Management Contract Team*



Fluor Daniel Hanford, Inc.

B&W Hanford Company

DE&S Hanford, Inc.

DynCorp Tri-Cities Services, Inc.

Lockheed Martin Hanford Corporation

Numatec Hanford Corporation

Waste Management Federal Services of  
Hanford, Inc.

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